Senior and Disabilities Services System Upgrade   **FY2019 Request:**   **$4,712,016**
                                                          Reference No: **50917**

AP/AL: Allocation   **Project Type:** Information Technology / Systems / Communication

Category: Health/Human Services
Location: Statewide   **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40)   **Contact:** Michael Frawley
Estimated Project Dates: 07/01/2018 - 06/30/2023   **Contact Phone:** (907)465-1624
Appropriation: Statewide Information Technology Projects

Brief Summary and Statement of Need:
The purpose of this project is to manage a functional Long-Term Services and Supports database system and meet the State's obligations to follow state and federal requirements for data management and reporting. The database system upgrade will provide increased efficiency to the State by automating Medicaid access services, service authorization and resource allocation. Additional efficiencies include the management of eligibility assessment tools and the service authorization process.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$4,075,162						$4,075,162
1004 Gen Fund	$636,854						$636,854
Total:	$4,712,016	$0	$0	$0	$0	$0	$4,712,016

☐ State Match Required	☐ One-Time Project	☐ Phased - new	☑ Phased - underway	☐ On-Going
0% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec1 Ch5 SLA2011 P85 L28 SB46 $2,700,000

RPL 06-2013-0098 $10,800,000 Federal

Project Description/Justification:
The Division of Senior and Disabilities Services (DSDS) case management system, known as DS3, was designed and built in house over the last 5 years. Some of the technology used is now obsolete and is difficult to maintain. Continual development to support changing business and regulatory needs has compounded this issue. The system was originally proposed as the means to consolidate the DSDS program waivers into a single database.

What is the purpose of the project?
The purpose of this project is to manage a functional Long-Term Services and Supports database system and meet the State's obligations to follow state and federal requirements for data

management and reporting. The database system upgrade will provide increased efficiency to the State by automating Medicaid access services, service authorization and resource allocation. Additional efficiencies include the management of eligibility assessment tools and the service authorization process.

Independent Verification and Validation (IV & V):
Implementation of a system change must include a second party review. In the case of projects that meet certain criteria, CMS requires that Independent Verification and Validation efforts must be conducted by an entity that is independent from the State. The IV&V contractor develops a project work plan, reviews technical aspects of the project and makes recommendations, provides risk management, etc.

Assessment Tool:
The development of the new assessment tool (access process) estimates assumed that the InterRAI suite of tools could be built within the Mediware System as a complete package. The Division has since learned that the costs for design and build of the InterRAI in the Mediware system include only the InterRAI Home Care Tool. The Home Care Tool meets the needs for the Nursing Facility Level of care assessment but does not meet the need for the Intermediate Care Facility. The assessment tool for Individuals with Intellectual and Developmental Disabilities (IDD) is a separate tool and requires separate system changes. This incorporation of the IDD tool is an enhancement to the Mediware system.

Required System Enhancements:
State regulations (changes in Personal Care Regulations to reflect savings in Medicaid), Federal rules (settings final rule and requirement for person centered planning) and division system workflow requirements have increased project scope and required the execution of an additional, unanticipated contract with the IV&V contractor and impacted the required deliverables for the Mediware Harmony product. The changes in the deliverables are seen as enhancements to the system and therefore require additional funding.

Person Centered Requirements:
The Division has taken steps to solidify the role of the Aging and Disabilities Resource Centers and Short-Term Assistance and Referral program as the front door for Long-Term Services and Supports. What we know is that if individuals are provided options (from Medicaid services, to community or natural supports) we see a delay in Medicaid spending. In order for the division to track the data and develop a front door to services (not just Medicaid services) the database must have the capacity to collect and report out the data. The project will integrate the person-centered intake within the Mediware system. The person-centered intake is an enhancement to the current system.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?
The project is an enhancement to existing department capabilities.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

Annual Expenditure	Rate	Projected	Federal	GF

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Design, Development and Implementation Contractor: Mediware	90%	1,150,000	1,035,000	115,000
Quality Assurance Contractor: Qualis	90%	1,056,000	950,400	105,600
Xerox Medicaid Management Information System Modification	90%	100,000	90,000	10,000
Other Contractor	90%	400,000	360,000	40,000
State Personnel, including benefits	90%	1,304,624	1,174,162	130,462
Travel, Training, Conferences, other administrative	90%	59,000	53,100	5,900
Harmony Soft.: Maintenance and Operations	75%	550,000	412,500	137,500
Capital Funds Administration		92,392		92,392
Total		4,712,016	4,075,162	636,854

How will service to the public be measurably improved if this project is funded? Outcome of project:
Automated Assessment tools for Individuals with Intellectual and Developmental Disabilities, compliance with Federal and State regulations for person centered intake and support plan development.

Will the project affect the way in which other public agencies conduct their business?
Enhancements to Mediware system may impact the Division of Health Care Services (HCS).

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

Annual Expenditure	Rate	Projected	Federal	GF
Hosting of system	50%	332,500	166,250	166,250
Harmony Soft.: Maintenance and Operations	50%	550,000	275,000	275,000

What will happen if the project is not approved?
If this proposal is not approved the division will not have the capacity to determine eligibility for and authorize Long-Term Services and Supports for vulnerable Alaskans. The division will not have the tools required to implement reform efforts and meet the Center for Medicare and Medicaid requirements for implementation and administration of Home and Community Based Federal Programs.

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